



FISCAL MEMORANDUM

SB 136 - HB 204

February 7, 2022

SUMMARY OF BILL AS AMENDED (012880): Enacts the “CROWN Act (Act): Create a Respectful and Open World for Natural Hair.” Prohibits an employer from enforcing a policy that does not permit an employee to wear the employee’s hair in braids, locs, twists, or another manner that is part of the cultural identification or physical characteristic of the employee’s ethnic group.

An employer who violates the Act is subject to a penalty as determined by rules promulgated by the Commissioner of the Department of Labor and Workforce Development.

Such rules must:

- Specify the amount of penalty per violations;
- Provide an employer with an opportunity to request a contested case hearing; and
- Provide a warning to an employer in lieu of a penalty if the violation is the employer’s first violation of the Act and such employer complies with all remedial action requested by the Commissioner.

Revenue collected from penalties must be used for enforcement of the Act, with remaining money used to educate employers in this state about the Act.

Specifies that this Act does not apply to: a public safety employee if it would prevent the employee from performing essential functions of the employee’s job requirements during the course of employment, or any policy that an employer must adopt to comply with federal or state laws, rules, or regulations relative to health or safety.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- Passage of the proposed legislation would clarify that discrimination because of a protective hairstyle, including but not limited to braids, locks, and twists, is prohibited.
- This legislation may result in an unknown amount of penalty fee revenue collected by the Department of Labor and Workforce Development from employers who have violated this Act in a second or subsequent instance. All revenue collected must be used to enforce this Act or educate employers about the Act.

- Any amount of revenue collected as a result of this Act is estimated to be not significant.
- Any increase in contested case hearings experienced by the state, as a direct result of this legislation, is estimated to be not significant. Therefore, any impact on state expenditures will be not significant.

IMPACT TO COMMERCE OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumption for the bill as amended:

- No estimated significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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